

Workshop on Proposed Changes to the Emerging Renewables Program Guidebook

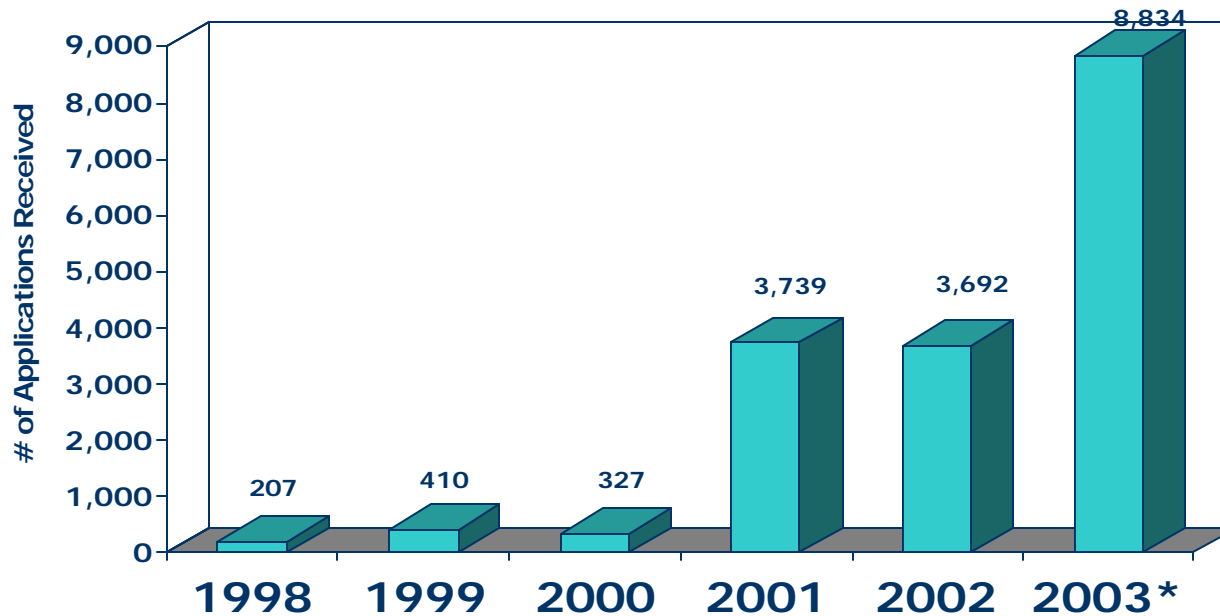
Renewable Energy Program
California Energy Commission

May 3, 2004

Overview

- Program results and funding
- Proposed Changes

Applications Received by Emerging Renewables Program



* Represents March through December 2003

Updated 4/30/2004

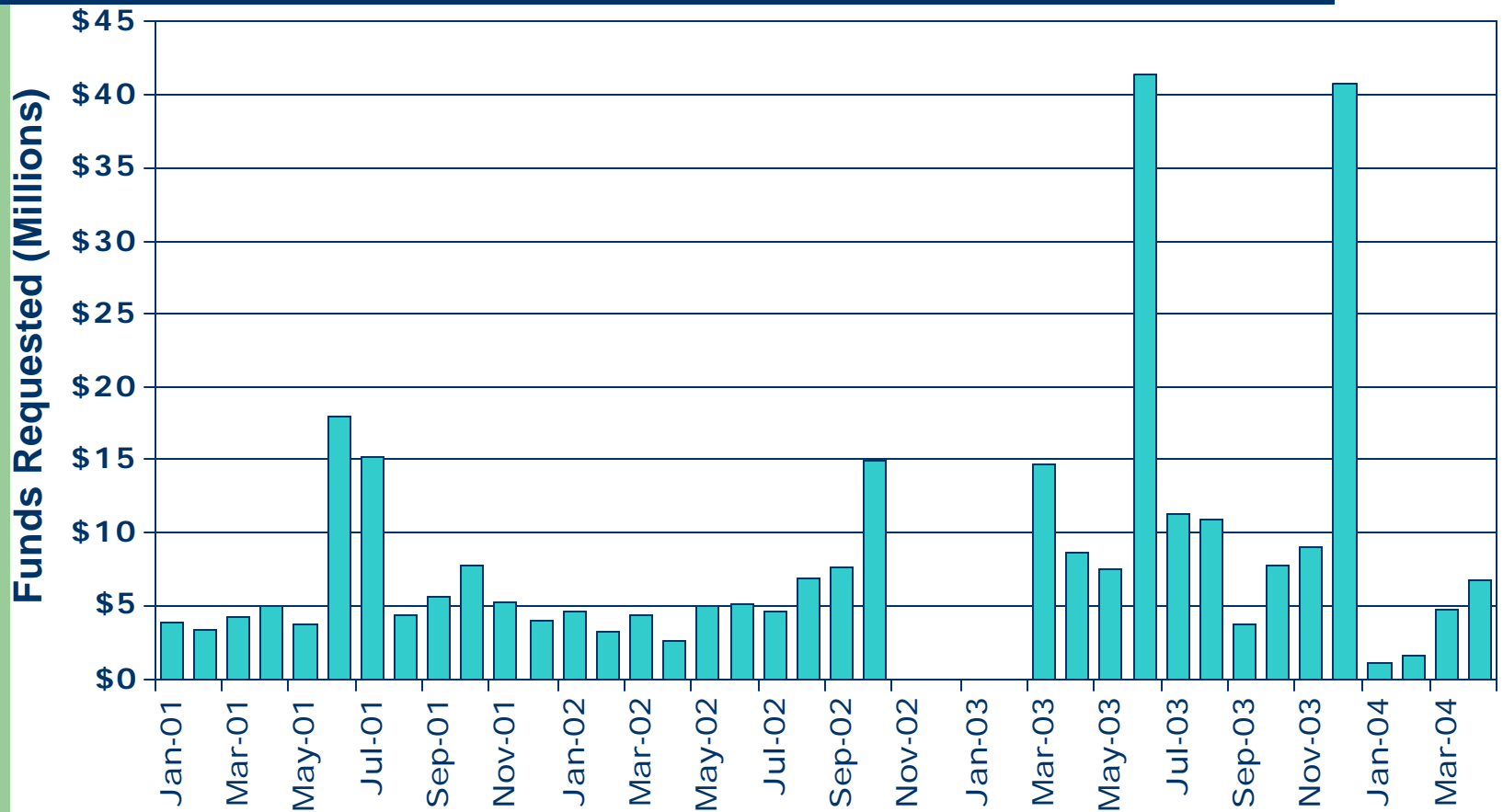
Systems Installed through the Emerging Renewables Program

<i>Year</i>	<i>Number</i>	<i>kW</i>	<i>Paid (millions)</i>
1998	41	181	\$0.5
1999	197	1,060	\$2.9
2000	235	802	\$2.2
2001	1,292	4,294	\$16.9
2002	2,331	8,499	\$36.4
2003	3,022	12,914	\$52.1
2004*	1,758	7,326	\$28.1
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Grand Total	8,889	35,147	\$139.4

* Updated April 30, 2004

ERP Funding Requested

by Month (Updated April 30, 2004)



Funding Allocation from 2003

Original Allocation (collected March 2003 through 2006)	\$118,125,000
Reallocated from Customer Credit Program	\$30,000,000
Allocated from interest on Renewables Trust fund	\$10,000,000
Total	158,125,000

As of April 27, 2004 about 42 million remains available.

Review Process Issues

- Project completion rates improved in 2003
 - About 80 percent of 2003 reservation applications result in completed projects (March 2003 to Mid June)
 - Historically about 70 percent of reservation applications resulted in completed projects
- About 50 percent of applications need additional information

Reservation Period

- Change reservation period from 9 to 6 months
 - Preserves adequate time to install systems
 - Releases reserved funds which have not been used sooner for other customers

New Construction

- Allow 18 month reservations for ALL new construction
 - Reduces the need for time extensions caused by construction delays
 - Adds requirement that building permit be provided to qualify for a reservation

System Utility Interconnection

- Addition of customer permission for the Energy Commission to share information with the utility
 - Eliminates need for copies of interconnection applications
 - Improves CEC and utility ability to confirm grid connection

Equipment Purchase Agreements and Labor Contracts

- Clarify language on contractor and self installed systems
 - Revisions made to reduce confusion/miscommunication on requirements contractors must meet to reserve full rebate levels
- Purchase agreements and installation contracts
 - Further clarifies information needed on equipment and installation contracts
 - Installation contract would not be required when new home developer uses their own employees

Extension Requests

- Changes to criteria for extension requests
- Building permit must be issued within first two months and requests must include permit copy
- Customer payments increased from 25% of 50% of system cost
- Eliminates extensions for 18 month reservations
- Form added to help standardize submittals and improve completeness of requests

Other Changes

- Addition of Bear Valley Electric customers as eligible to participate.
- Public entities must certify they comply with Civil Code 714, regarding unreasonable restrictions on solar energy systems (per Assembly Bill 1407).
- Eliminate requirement for itemized costs of major components and labor
 - Existing cost data is inconsistent
 - Reduces administrative burden

Solar Schools Program Element

- Will be considered for adoption by the Energy Commission on May 19, 2004, rather than on June 16, 2004.
- On a separate track, because matching funds from the California Power Authority for this element are scheduled to expire on June 30, 2004.
- Matching funds must be encumbered by this date or are at risk of being lost.

Affordable Housing Criteria

- 10 percent energy efficiency criteria to be demonstrated through Title 24 model runs
- Copy of regulatory agreement or title of property required to demonstrate that residence is limited to extremely low, very low, lower or moderate income individuals

Site Definition

- Revised to legal parcel rather than by utility meter
 - Consistent with Self-Generation Incentive Program
 - Simplifies duplicate application verification

Process Changes

- Accept only mailed in reservation requests
 - Reduce fax-related errors (faxing still acceptable for clarifications)
 - No significant time penalty compared to faxing in materials
- Apply 60 day limit to respond to payment information requests
 - Clears out old, unpaid claims
 - Applicants would need to reapply to the program
- Disapproval of inadequate reservation applications without detailed review
 - Applicant must resubmit entire application
 - Reduces piece-meal submittals
 - Eliminates queue advantage of partial applications

Additional Questions

- Should the Energy Commission administer a performance-based incentive program for systems 30 kW and larger?
 - If no, should the funds originally set aside for such a program be used for rebates on systems less than 30 kW?
- Should the Energy Commission consider adding advanced anaerobic digester systems using any conversion technology (micro-turbine, internal combustion engine, fuel cell) as an eligible technology to receive rebates?
 - If yes, how should the incentive be determined?

Schedule for Adoption

- Final proposed changes to be considered for adoption by the Energy Commission
June 16, 2004.
- Solar Schools element to be considered on
May 19, 2004